

THE IMPACT OF THE COVID 19 PANDEMIC ON SPORTS

The outbreak of the Covid-19 virus which has now become a global pandemic has affected the world's social, economic, financial and other spheres of life. Sports is no exception as the effect has been felt by all players from athletes to media coverage.

Social distancing has caused various fixtures to be postponed and cancelled all together. The 202 Olympics have been postponed to 2021, the Africa Nations Championship has been postponed indefinitely, Euro 2020 has been postponed to 2021, the London Marathon has been postponed to October 2021, World Athletics Championships have been postponed to 2021, Wimbledon has been cancelled indefinitely and the Formula 1 season is set to start in Austria behind closed doors with no official confirmation as to the official calendar/schedule. The list is not conclusive and just serves as an example to demonstrate the situation.

Athletes have lost revenue and sponsors with unemployment rising in sports-related industries. The three main income streams for sports leagues: broadcasting (sales of media rights), commercial (sponsorship and advertising partnerships) and match day revenue (ticketing and hospitality) have been disrupted. Teams such as Manchester United have had to refund season ticket holders since the English Premier League(EPL) season has been postponed indefinitely. In the EPL, sponsorship agreements typically do not have clauses enabling parties to unilaterally extend or cancel the agreement which has become a potential dispute resolution issue with the parties to these agreements hoping to enter into negotiated settlements with resort to court being the last option. Sports media has also suffered the brunt of this disruption.

Alternative Measures

In light of the above, stakeholders introduced alternative measures in an attempt to cushion themselves from the effects of the pandemic. Sports bodies and TV network partners are looking to find mutual solutions to trigger 'force majeure' clauses that would benefit both sides such as granting of additional broadcasting rights and extending agreements as well as compensating the broadcasters amongst others. The National Basketball Association (NBA) has introduced flexibility of payment options for consumers, as 'quarantine' parties with former and current players and has partnered with Netflix to create a documentary on Michael Jordan's journey in basketball. In addition, there has been a push towards finding other ways to engage consumers such as airing classic games, archived content such as interviews and venturing into e-sports.

Governments have also contributed to the discussion on sports and COVID 19. The European Union has published a Policy Paper which introduces suggestions regarding sports to its member states. The proposals include state aid in the form of tax breaks to sports organization;, setting up of public and private funds for self-employed persons such as grassroots sports clubs, temporary coaches and others; supporting schools and Physical Education teachers to train pupils virtually; support to innovation programmes that can address the current situation and providing loans to ensure liquidity of sports clubs through existing financial instruments or creating new ones.

In Kenya, the Ministry of Sports is looking to set up a fund to cushion local footballers in current times. Further, the Kenya Private Sector Alliance has come up with suggestions to the government and stakeholders which could be adopted in order to counter the effects of the global pandemic on the industry.

Conclusion

Despite the issues highlighted above, some sectors of sports are certainly thriving in this pandemic. The Darts Live League, Esports League, Counter-Strike, GO and Dota 2 have seen a spike in revenue as there is more interest and participation because most people are in quarantine as well as unable to participate in outdoor sports.

There is no indication as to when the world will be cleared COVID 19 free despite the maximal efforts and funds being pumped into finding a vaccine or cure. This is the time for the stakeholders to look at the long term trends and solutions that could possibly change the sporting landscape forever. As seen above, there will certainly be need to invest in technology and as highlighted previously in a different article, E-sports and Virtual Reality in sports. This pandemic presents an excellent opportunity for virtual technology to grow. Traditional Broadcast may need to go digital while leagues may need to consider streaming on digital services such as Netflix, Amazon Prime and Showmax amongst others.

As Albert Einstein stated, "In the middle of every difficulty lies opportunity."